

# PRO Housing FAQs

## Funding Opportunity Description

1. What is the PRO Housing competition? What are PRO Housing grants for?

Pathways to Removing Obstacles to Housing, or PRO Housing, is a competitive grant program being administered by HUD. PRO Housing seeks to identify and remove barriers to affordable housing production and preservation.

2. What kinds of barriers does PRO Housing seek to remove?

Barriers to affordable housing look different in every community, but they can be caused by zoning decisions, land use policies, or regulations; inefficient procedures; gaps in available resources for development; deteriorating or inadequate infrastructure; lack of neighborhood amenities; or challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment that reduces the number of affordable units, or expiration of affordability requirements. Applicants are asked to describe and respond to their own unique barriers.

3. What is HUD prioritizing in the PRO Housing competition?

HUD will prioritize applicants that demonstrate:

(1) progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation; and

(2) an acute demand for housing affordable to households with incomes below 100 percent of the area median income.

4. What is a NOFO?

NOFO stands for Notice of Funding Opportunity. The PRO Housing NOFO provides the regulations, scoring criteria, application instructions and more for the PRO Housing competition. The PRO Housing NOFO was released on July 27, 2023.

5. How is PRO Housing related to the Community Development Block Grant (CDBG) program?

PRO Housing funds use the CDBG framework. This means that statutes and regulations governing the CDBG program, including Title I of the Housing and Community Development Act of 1974 and 24 CFR part 570, apply to PRO Housing funds. The NOFO contains certain exceptions and waivers.

As with all CDBG assistance, the priority is to serve low- and moderate-income people.

See Section III.G of the PRO Housing NOFO for more information.

6. What are the public participation requirements?

Before submitting to HUD, you must publish your PRO Housing application or amendment in its entirety for public comment. The streamlined requirements mandate at least one public hearing for the application and for each substantial amendment and require providing a reasonable notice

(at least 15 days) and opportunity for public comment and ongoing public access to information about the use of grant funds. For more information, please visit Section VI.E.5.a.iii of the NOFO.

## **Award Information**

7. How much funding is available through the PRO Housing NOFO?

Funding of approximately \$85,000,000 is available through the PRO Housing NOFO.

8. How many awards will HUD make?

HUD expects to make approximately 20 awards from the funds available under this NOFO.

9. Are there minimum and maximum award amounts?

Yes. The minimum award amount is \$1,000,000. The maximum award amount is \$10,000,000.

10. When are the project start and end dates?

PRO Housing has a six-year period of performance. The estimated project start date is 1/31/2024, or after the expected issuance of awards. The estimated project end date is 9/30/2029.

11. When is the application deadline?

Applications must be submitted by 11:59:59pm Eastern Time on 10/30/2023.

## **Eligibility Information**

12. Who is eligible to apply?

Eligible applicants include state governments, local governments (i.e., city and county governments), Metropolitan Planning Organizations (MPOs), and multijurisdictional entities. Tribes are not eligible to apply for PRO Housing funds on their own; however, they may partner with eligible applicants.

13. Who is ineligible to apply?

HUD will not award grants to individuals or any entity that does not meet the eligibility criteria. HUD will not evaluate applications from ineligible applicants.

14. What is a multijurisdictional entity?

Multijurisdictional entity refers to any association of local governments or public agencies which are bound by collective agreement (such as a memorandum of understanding, joint powers authority, interstate compact, or the like), such that HUD determines that the entity is authorized and has administrative capability to carry out the activities under this NOFO on behalf of its member jurisdiction(s).

Multijurisdictional entities must demonstrate partnership among all parties. The parties may demonstrate a partnership by attaching relevant documentation, such as a memorandum of understanding or another foundational document (such as a CDBG joint agreement between an urban county and a metropolitan city or a HOME consortium agreement), to an application.

15. Does PRO Housing require cost sharing or matching funds?

No. However, PRO Housing provides points based on leverage as described below and in Section V.A.1.d of the NOFO.

16. How many applications can I submit? What happens if I submit more than one?

An eligible applicant may submit only one application.

If HUD receives multiple versions of an application electronically, HUD will review the last version of the application received by Grants.gov that meets the timely receipt requirements. All other applications (i.e., prior versions) will not be considered eligible.

17. What is a national objective?

Each activity, other than general administration and planning, proposed to be carried out with PRO Housing assistance must meet a CDBG national objective pursuant to section 101(c) of the Housing and Community Development Act of 1974:

- a. Benefiting low- and moderate-income persons,
- b. Preventing or eliminating slums or blight, or
- c. Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Activities that do not meet a national objective are ineligible for PRO Housing funding.

18. What activities are eligible?

Each proposed activity must be an eligible CDBG activity. Specifically, each proposed activity must be eligible pursuant to section 105(a) of the Housing and Community Development Act of 1974 and applicable program regulations at 24 CFR part 570 or receive an eligibility waiver for the activity, requested in the application.

Eligible activities include planning and policy activities, development activities, infrastructure activities, and preservation activities. For specific examples, please see Section III.F.2.c of the PRO Housing NOFO.

19. Can PRO Housing funds be used to construct new housing?

Yes. HUD is waiving 42 U.S.C. 5305(a) and 24 CFR 570.207(b)(3) and adopting alternative requirements to the extent necessary to permit new construction of housing, subject to the same requirements that apply to rehabilitation activities under the provisions at section 105(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(4)) and 24 CFR 570.202(b).

20. Can I request an eligibility waiver for activities that are not eligible?

Yes. For information about waivers and how to request them, please see Section VI.E and Appendix A of the PRO Housing NOFO.

21. Can PRO Housing funds be used for the general conduct of government?

No. Any activity to carry out the regular responsibilities of the government is ineligible. Applicants should plan their approaches accordingly to ensure that PRO Housing award funds are not used for such costs. Grantees may and are encouraged to use leverage funding for such unallowable costs.

22. Can PRO Housing funds be used for downzoning?

No. Any activity that results in a net decrease in allowable or actual housing construction is ineligible. Rezoning efforts and development activities must ensure a net increase in zoned capacity or number of homes, respectively, to be considered for funding.

23. What if I want to amend my application after submitting it?

If applicants find, after submitting an application, that they want to amend or adjust their application and it is prior to the deadline date, applicants must resubmit the entire application to ensure that HUD gets a complete application. HUD will not consider information from applicants after the application deadline except for curable deficiencies.

24. What if I want to amend the application after I've been awarded?

HUD will review and approve or disapprove any requested amendment that is a substantial amendment. Substantial amendments are changes that affect the responses to the rating factors and include but are not limited to a change in program benefit, beneficiaries, or eligibility criteria; the allocation or re-allocation of more than ten percent of the award; or the addition or deletion of an activity. Subsequent to HUD's review and approval, a grantee may substantially amend the Application if it follows the same public participation requirements in this NOFO for the preparation and submission of an Application and HUD agrees in writing that the amended Application would still score in the fundable range for the competition. Prior to preparation and submission of any post-award amendment, the grantee is encouraged to work with its HUD representative to ensure the proposed change is consistent with this NOFO, and all applicable regulations and Federal law.

25. PRO Housing uses the CDBG framework, but CDBG has different regulations for entitlement communities and states. Which regulations apply to me?

For CDBG entitlement communities, multijurisdictional entities, and metropolitan planning organizations, regulatory provisions at 24 CFR part 570 subparts A, C, D, J, K, and O apply, as appropriate. For states, 24 CFR part 570 subpart I applies; however, Section VI.E of the NOFO waives the requirement for states to distribute funds through a method of distribution as is required for annual State CDBG funds. In other words, states may act directly with PRO Housing funds.

## **Application and Submission Information**

26. Where can I find application materials? When will the PRO Housing NOFO be on grants.gov?

HUD is making a preview available to allow interested applicants to review the preview of the NOFO, submit questions, and prepare applications. HUD will not accept applications during the preview period. However, during the preview period, interested applicants may submit questions

on the NOFO preview to the following email address: CDBG-PROHousing@HUD.gov. HUD intends to publish the NOFO on grants.gov and allow submission of applications September 2023. The NOFO preview is subject to change. While HUD does not intend to make substantive changes at this point, applicants should consider the NOFO published on Grants.gov to be the official version. All application materials, including the Application Instructions and Application Package, are available through Grants.gov.

27. What forms will I need to submit?

The following forms are required for a complete application:

- Application for Federal Assistance (SF-424)
- Applicant and Recipient Assurances and Certifications (HUD 424-B)
- Applicant/Recipient Update/Disclosure Report (HUD 2880)
- Disclosure of Lobbying Activities (SF-LLL)
- Certification Regarding Lobbying (Lobbying Form)
- Federal Assistance Assurances
- Grant Application Detailed Budget Worksheet (424-CBW)
- PRO Housing Certifications

See Section IV.B.1 of the NOFO for more information.

28. Is there a standard format for the application?

Yes. Applications have a maximum of 40 pages. These pages must be 12-point (minimum) Times New Roman font on letter sized paper (8 1/2 x 11 inches) with at least 1-inch margins on all sides. For more information about format and form, see Section IV.B.2 of the NOFO.

29. Are there exceptions to the page limit?

The documents listed below are not counted in the page limit:

- Table of Contents
- Eligible Applicants documentation
- Evidence of partnership letters
- Leverage documentation
- Application Certifications and Standard forms
- Summary of comments received on published Application and list of commenters by name/organization (Attachment A)
- Tabs/title pages that are blank or display a title/header/'n/a' indication

30. Are there any required attachments?

Yes. Applicants must attach a summary of comments received on their published application, and a list of commenters by name/organization. This is known as Attachment A and does not count towards the page limit.

31. When should I submit my application?

HUD strongly recommends that applicants submit their applications at least 48 hours before the deadline and during regular business hours to allow enough time to correct errors or overcome other problems. The application deadline is 11:59 p.m. ET (or 8:59 p.m. PT) on 10/30/2023.

32. My application was rejected with errors before the deadline. Is there a grace period?

If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of 24 hours after the application deadline to submit a corrected, received, and validated application through Grants.gov. The date and time stamp on the Grants.gov system determines the application receipt time. Any application submitted during the grace period but not received and validated by Grants.gov will not be considered for funding. There is no grace period for paper applications.

33. Will HUD consider late applications?

No. An application received after the NOFO deadline date that does not meet the Grace Period requirements will be marked late and will not be reviewed by HUD for funding consideration. Improper or expired registration and password issues are not sufficient causes to allow HUD to accept applications after the deadline date.

34. What if the application has technical deficiencies?

HUD will not consider information from applicants after the application deadline except for curable deficiencies. HUD will uniformly notify applicants of each curable deficiency. Corrections of technical deficiencies must be submitted within three business days of the date of the notification from HUD. For more information, see Sections IV.D.7. and V.B.4. of the PRO Housing NOFO.

35. What is a curable deficiency?

A curable deficiency is missing or incomplete application information that may be corrected by the applicant with timely action. To be curable, the deficiency must:

- Not be a threshold requirement, except for documentation of applicant eligibility;
- Not influence how an applicant is ranked or scored versus other applicants; and
- Be remedied within the time frame specified in the notice of deficiency.

Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications. These examples are non-exhaustive.

36. What are the environmental requirements?

Grantees must comply with environmental justice requirements as set forth in HUD's regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Policy Act (NEPA) and other environmental requirements.

Grantees who are States or units of general local government (UGLGs) are considered the Responsible Entity under 24 CFR part 58 and are responsible for completing their own environmental review. The Responsible Entity must conduct an environmental review to determine whether each activity funded under this NOFO is exempt or categorically excluded

from NEPA and other environmental review requirements or requires further environmental review.

For grantees who are not States or units of general local government (UGLGs) or are not recipients of funding under Title I of the Housing and Community Development Act of 1974 and HUD's regulations at 24 CFR 58.2(a)(5), HUD will perform the environmental review in accordance with 24 CFR part 50.

For more about environmental requirements, see Sections IV.G.2.c and VI.E of the NOFO.

## **Application Review Information**

### **37. What are the rating factors for the PRO Housing competition?**

HUD will score applicants based on their response to five rating factors: Need (35 points), Soundness of Approach (35 points), Capacity (10 points), Leverage (10 points), and Long-term Effect (10 points). You can review the prompts at Section V.A.1 of the NOFO.

### **38. What is a priority geography?**

Under the Need rating factor, applicants will be awarded ten (10) points if their application primarily serves a 'priority geography'. Priority geography means a geography that has an affordable housing need greater than a threshold calculation for one of three measures. The threshold calculation is determined by the need of the 90th-percentile jurisdiction (top 10%) for each factor as computed comparing only jurisdictions with greater than 50,000 population. Threshold calculations are done at the county and place level and applied respectively to county and place applicants. An application can also qualify as a priority geography if it serves a geography that scores in the top 5% of its State for the same three measures. The measures are as follows:

- Affordable housing not keeping pace, measured as (change in population 2019-2009 divided by 2009 population) – (change in number of units affordable and available to households at 80% HUD Area Median Family Income (HAMFI) 2019-2009 divided by units affordable and available at 80% HAMFI 2009).
- Insufficient affordable housing, measured as number of households at 80% HAMFI divided by number of affordable and available units for households at 80% HAMFI.
- Widespread housing cost burden or substandard housing, measured as number of households with housing problems at 100% HAMFI divided by number of households at 100% HAMFI. Housing problems is defined as: cost burden of at least 50%, overcrowding, or substandard housing.

### **39. How do I know if I am a priority geography?**

HUD has provided a spreadsheet listing priority geographies on its website. Please visit the [https://www.hud.gov/program\\_offices/comm\\_planning/affordable\\_housing\\_barriers](https://www.hud.gov/program_offices/comm_planning/affordable_housing_barriers) to view the spreadsheet.

### **40. What if I'm not a priority geography?**

Applicants who are not listed as priority geographies are still invited to apply.

The Need rating factor offers an additional five (5) points for providing compelling information about your affordable housing needs. This information should demonstrate acute demand for affordable housing in your jurisdiction(s) to households with incomes below 100 percent of the area median income. In your narrative, you are encouraged to provide local knowledge that is not already captured by the above measures. Topics that may indicate acute demand for affordable housing include displacement pressures, housing stock condition, age of housing stock, homelessness, ratio of median home price to area median income, and more.

41. I'm applying as an MPO or multijurisdictional entity. How do I determine if I'm a priority geography?

MPOs and multijurisdictional entities may qualify as a priority geography if the proposed activities primarily serve least one county or place that is a priority geography. The geographical scope of the activity should be clearly identified in the application.

42. What does affirmatively furthering fair housing mean?

Under the Soundness of Approach rating factor, applicants are asked to describe how their proposal aligns with requirements to affirmatively further fair housing. Affirmatively furthering fair housing means taking meaningful actions, in addition to combating discrimination, to overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunities, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

43. How is leveraged funding scored?

Applicants are encouraged to leverage additional funding from outside sources. Under the Leverage rating factor, applicants are awarded points for leveraged funding as a percentage of the amount of PRO Housing funding requested. Points are awarded as follows:

Leverage commitments as percent of grant funds requested	Points awarded
50 percent and above	10
Between 40.00 and 49.99 percent	8
Between 30.00 and 39.99 percent	6
Between 20.00 and 29.99 percent	4
Between 10.00 and 19.99 percent	2
Below 10.00 percent	0



44. How do I document my leveraged funding?

Applicants who are leveraging outside funding must adhere to the following requirements:

- Resources must be firmly committed as of the application deadline date. “Firmly committed” means that the amount of the resource and its dedication to PRO Housing Grant activities is explicit. Endorsements or general letters of support alone will not count as resources and should not be included in the application.
- Leverage documents must represent valid and accurate commitments of future support. They must detail the dollar amount and any terms of the commitment. They must also indicate that the funding is available to you for the specific activities proposed in your PRO Housing application.
- Resource commitments must be written and signed by a person authorized to make the commitment and dated.
- Commitment letters must be on letterhead or they will not be accepted.
- If the commitment document is not included in the application and submitted before the NOFO deadline, it will not be considered.
- Staff time of the Applicant and/or Partner(s) (if any) will be an eligible leverage resource if they are firmly committed and quantified.

45. Does leverage documentation count against my page count?

No.

46. Does PRO Housing offer preference points?

No.

47. Will HUD conduct a threshold review?

Yes. HUD will screen applications to determine if the threshold criteria from Section III.D of the NOFO are met. If they are not met, the application will be deemed ineligible and will not receive further review. If they are met, HUD will screen the application to determine if it meets the other threshold criteria listed in Section III.D (including screening for technical deficiencies).

48. How will HUD review applications after the threshold review?

Reviewers will rate each eligible application based solely on the rating factors described in Section V.A of the PRO Housing NOFO and assign a preliminary score for each rating factor and total score. HUD will then rank applications in score order. From there, a final review panel will:

- Review the Preliminary Rating and Ranking documentation to ensure any inconsistencies between preliminary reviewers are identified and rectified and to ensure the Preliminary Rating and Ranking documentation accurately reflects the contents of the application.
- Assign a final score to each application and rank them in score order; and
- Recommend for selection the most highly rated applications, subject to the amount of available funding.

49. What if there's a tie score?

If two or more applications have the same score and there are insufficient funds to select all of them, HUD will select the application(s) with the highest score for the overall Need Rating Factors. If a tie remains, HUD will select the application(s) with the highest score for the overall Soundness of Approach Rating Factors, then overall Capacity Rating Factors.

## **Award Administration Information**

50. If I'm awarded PRO Housing funds, am I guaranteed to receive the amount I applied for?

No. To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.

51. What are the reporting requirements?

Grantees will be required to submit a progress report on an annual basis throughout the grant term through HUD-provided templates and HUD's Disaster Recovery Grant Reporting (DRGR) System. Recipients will also have to show evidence through quarterly Federal Financial Reports (SF-425) that they received and used financial leverage resources for their intended purpose.

52. Can I request a debriefing?

Yes. For a period of at least 120 calendar days, beginning 30 calendar days after the public announcement of awards under this NOFO, HUD will provide a debriefing related to their application to requesting applicants. A request for debriefing must be made in writing or by email by the AOR whose signature appears on the SF-424 or by his or her successor in office and be submitted to the POC in Section VII Agency Contact(s) of this NOFO. Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.

53. How does PRO Housing treat program income?

HUD is waiving applicable program income rules to the extent necessary to provide additional flexibility as described under this NOFO. The guidance can be found at Section VI.E.5.a.xvi of the NOFO.

54. Do I need to maintain a webpage for my PRO Housing award?

Yes. A grantee shall maintain a public website which provides information accounting for how all grant funds are used and managed/administered, including details of all contracts and ongoing procurement policies. To meet this requirement, each grantee must make the PRO Housing Action Plan (including all amendments) and each APR (as created using the DRGR system) available on its website(s).

55. Can I use PRO Housing funds as a match for another program?

Yes. PRO Housing funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible PRO Housing activity.

## Agency Contacts

56. How can I contact HUD with questions about program-specific requirements?

Please direct questions to CDBG-PROHousing@hud.gov.

## Other Information

57. Does HUD have other resources related to removing barriers to affordable housing?

Yes. HUD has a webpage dedicated to barriers to affordable housing. It features HUD's recent technical assistance webinars on this topic and links to additional resources, such as HUD's Regulatory Barriers Clearinghouse. Please visit the webpage at this link:

[https://www.hud.gov/program\\_offices/comm\\_planning/affordable\\_housing\\_barriers](https://www.hud.gov/program_offices/comm_planning/affordable_housing_barriers)